

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

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In re: :
THE FINANCIAL OVERSIGHT AND : PROMESA
MANAGEMENT BOARD FOR PUERTO RICO, : Title III
as representative of : Case No. 17-BK-3283 (LTS)
THE COMMONWEALTH OF PUERTO RICO *et al.*, : (Jointly Administered)
Debtors.¹ :
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In re: :
THE FINANCIAL OVERSIGHT AND : PROMESA
MANAGEMENT BOARD FOR PUERTO RICO, : Title III
as representative of : Case No. 17-BK-3566 (LTS)
THE EMPLOYEES RETIREMENT SYSTEM OF THE : This filing relates only to Debtor
GOVERNMENT OF THE COMMONWEALTH OF : ERS and shall be filed in the lead
PUERTO RICO, : Case No. 17-BK-3283 (LTS) and
Debtor. : Case No. 17-BK-3566 (LTS)
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¹ The Debtors in these title III cases, along with each Debtor's respective title III case number listed as a bankruptcy case number due to software limitations and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3283 (LTS)) (Last Four Digits of Federal Tax ID: 3481), (ii) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17-BK-3566(LTS)) (Last Four Digits of Federal Tax ID: 9686), (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17-BK-3567 (LTS)) (Last Four Digits of Federal Tax ID: 3808), (iv) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17-BK-3284 (LTS)) (Last Four Digits of Federal Tax ID: 8474); and (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17-BK-4780) (Last Four Digits of Federal Tax ID: 3747).

**JOINDER OF OFFICIAL COMMITTEE OF UNSECURED CREDITORS
TO DEBTOR'S AND RETIREE COMMITTEE'S OBJECTIONS TO MOTION
OF CERTAIN SECURED CREDITORS OF EMPLOYEES RETIREMENT
SYSTEM OF GOVERNMENT OF COMMONWEALTH OF PUERTO RICO
FOR RELIEF FROM AUTOMATIC STAY**

To the Honorable United States District Court Judge Laura Taylor Swain:

The Official Committee of Unsecured Creditors of all Title III Debtors (other than COFINA) (the “Committee”) hereby submits this joinder (the “Joinder”) to (a) the *Debtor’s Opposition to Motion of Certain Secured Claimholders of Employees Retirement System of Government of Commonwealth of Puerto Rico for Relief from Automatic Stay*, dated July 10, 2018 [Docket No. 292 in Case No. 17-3566 (LTS)] (the “ERS Objection”) and (b) the *Objection of the Official Committee of Retired Employees of the Commonwealth of Puerto Rico to the ERS Bondholders’ Motion for Relief from the Automatic Stay*, dated July 10, 2018 [Docket No. 293 in Case No. 17-3566 (LTS)] (the “Retiree Committee Objection”),² and respectfully states as follows:

1. The Committee believes that the *Motion of Certain Secured Creditors of the Employees Retirement System of the Government of the Commonwealth of Puerto Rico for Relief from the Automatic Stay*, dated July 3, 2018 [Docket No. 3418 in Case No. 17-3283 (LTS)] (the “Stay Relief Motion”) should be denied. In order to avoid burdening the court with unnecessarily duplicative submissions, and in an effort to minimize the incurrence of legal expenses, the Committee hereby joins in the following arguments made by the Oversight Board and the Retiree Committee in their respective objections.

2. In regard to the ERS Objection, the Committee joins in the Oversight Board’s arguments that (i) relief from the automatic stay is inappropriate because the Movants have not

² Capitalized terms used but not defined herein have the meanings set forth in the ERS Objection or the Retirees Objection, as applicable.

established that they hold a perfected security interest, (ii) the automatic stay should remain in effect because the Movants have not met their burden of going forward, including on the issue of the cause of any diminution in the value of any collateral, and (iii) if the court does not deny the Stay Relief Motion, the automatic stay should be extended pursuant to section 362(e) of the Bankruptcy Code until the conclusion of the final hearing on the Stay Relief Motion, which final hearing should be scheduled for 14 days after entry of this court's decision in the Declaratory Relief Action.

3. In regard to the Retiree Committee Objection, the Committee joins in the Retiree Committee's arguments that (i) this court is the appropriate forum in which to determine the competing interests to ERS's assets, (ii) the Bondholders are not entitled to additional adequate protection payments after the exhaustion of the Pre-Petition Segregated Account because they have failed to show that the value of their collateral is declining, and (iii) there is no basis to require the Commonwealth to provide adequate protection given that the Bondholders have no recourse against the Commonwealth.

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WHEREFORE, the Committee respectfully requests that the court deny the Stay Relief Motion and grant such other and further relief as this court deems just and proper.

Dated: July 10, 2018

/s/ G. Alexander Bongartz

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- and -

/s/ Juan J. Casillas Ayala

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Local Counsel to the Official Committee of Unsecured Creditors

³ Paul Hastings LLP represents the Committee in this matter other than as to certain Oaktree entities that are ERS Bondholders, i.e., Oaktree-Forrest Multi-Strategy, LLC (Series B), Oaktree Opportunities Fund IX, L.P., Oaktree Opportunities Fund IX (Parallel 2), L.P., and Oaktree Value Opportunities Fund, L.P.